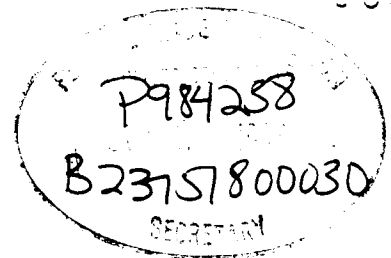


Jerry J. Jasinowski

President

June 23, 1998



Donald S. Clark, Secretary
Federal Trade Commission
Room H-159
Sixth Street and Pennsylvania Avenue, N.W.
Washington, DC 20508

Ref: Year 2000 Consumer Issues-Comment -- FTC File No. P984238

Dear Mr. Secretary:

This document constitutes the comments of the National Association of Manufacturers (NAM) in the above captioned proceeding, announced in the Federal Register of May 6, 1998 {63 F.R. 25045}.

The National Association of Manufacturers is the nation's oldest and largest broad-based industrial trade association. Its 14,000 member companies and subsidiaries, including approximately 10,000 small manufacturers, are in every state and produce about 85 percent of U.S. manufactured goods. The NAM's member companies and affiliated associations represent every industrial sector and employ more than 18 million employees.

NAM's membership consists of organizations and businesses representing the entire spectrum of American industrial activity. Our customers range from individual consumers, to the largest corporations and public bodies. Our members as well as our member's customers include the developers and vendors of leading edge information technology products and services, the businesses engaged in critical infrastructure fields such as power generation, transportation and telecommunications, consumer product manufacturers, providers of financial services-indeed, every business activity which uses, develops or exchanges data over today's "information superhighway."

NAM is currently sponsoring the Y2K Industry Working Group, a cross-sectoral coalition of companies and associations which has as its single uniting issue a shared concern regarding the potential which the Year 2000 poses for a flood of opportunistic and possibly unjustified litigation directed at the business community.

In reviewing the FTC's Notice in the instant proceeding, we have identified three primary areas of concern:

- (1) information regarding the nature of the Year 2000 problem, as it impacts consumers; (2) steps or techniques which might avert date handling problems; and (3) potential remedies, both technical and legal, to problems which do occur.

NAM's interest is at this moment focused, as a group, almost exclusively on a single but tremendously important aspect the third area of the Commission's inquiry: the question of legal

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liability. NAM's members and colleagues share a concern that Year 2000-based litigation not impose unwarranted liability on any individual firm or sector, that it not divert possibly scarce financial and technological resources away from the task of avoiding serious consequences from date handling problems, and that it not clog the judicial system and commercial process with controversies of relatively limited consequence.

We note, in this regard, that the focus of the Commission's Inquiry on consumer impact is both individual and transactional, soliciting comment on business activities with regard to retail customers. NAM is concerned that this focus may fail to take in to account more pervasive and fundamental risks to individual consumers from the Year 2000, having little to do with the purchase of personal software or electronic products, but harboring the potential of great inconvenience or even injury.

These risks, we believe, include the issues of the impact of the Year 2000 on critical infrastructures in our economy, such as telecommunications, electric power and transportation, and the collateral dependant service delivery systems such as health care, food processing, industrial processing and manufacturing.

Further, the pervasive presence of embedded microprocessors in electro-mechanical devices such as coffee makers to cardiac monitors suggests other aspects of product-based inquiry which might well have an equal or greater risk for individuals as those cited in the Commission's Notice.

While the NAM is not now taking a position beyond the concern implicit in the forgoing discussion, we are anxious that the Commission recognize the effort which NAM is sponsoring as being reflective of a diverse and critical cross-section of American economic activity. Accordingly, we will continue to participate in this and related proceedings which the Commission may undertake, and in particular, we may wish to respond to the solicitation for participants in any public meetings or requests for information on Year 2000 matters which the Commission may host.

Sincerely,



Jerry J. Jasinowski
President